

WASHINGTON. D.C. – House Committee on Oversight and Government Reform Ranking Member Darrell Issa (R-CA) today released a report entitled, “De-Targeting the Stimulus: States Diverting Medicaid Funds Away from Helping Poor, Protecting Health Care Jobs.” The report explains how, despite the clear intentions of the stimulus, some states are diverting Medicaid funds for non-healthcare related purposes even while healthcare jobs are being lost and programs to help poor Americans are being asked to do more with less.

“This practice undermines the promise that stimulus funds would be ‘targeted,’” the report reads. “By exploiting a loophole in the stimulus legislation, states are effectively able to use federal funds intended for healthcare spending for whatever projects they choose and without obligation to adhere to federal transparency and accountability rules attached to stimulus funds.”

The architects of the Medicaid provisions in the Act clearly intended for the funds to be directed to shore up existing state efforts in order to provide a net increase in Medicaid funding.

“This plan will also help ensure that you don’t need to make cuts to essential services Americans rely on now more than ever,” said President Barack Obama when the legislation passed. Speaker Nancy Pelosi (D-CA) noted, “To help states avoid these types of cuts in Medicaid enrollment and coverage, [sic] provides states an estimated \$87 billion in additional federal matching funds for Medicaid over a two-year period.... In addition to shoring up existing Medicaid enrollment and coverage, this \$87 billion in increased federal assistance for Medicaid is an excellent economic stimulus.”

Ironically, House Republicans expressed concerns about stimulus funds intended for Medicaid in a letter to Speaker Pelosi on January 21st, "Unfortunately, the \$87 billion allocated for more Medicaid money for states doesn't appear to hold them accountable for ensuring that the tax dollars are spent wisely," the letter read. "We believe it is necessary to require our nation's Governors to submit formal budget plans for their respective Medicaid programs detailing how additional funds will be spent before Congress considers any legislation to provide a temporary increase in the federal Medicaid match."

[Click here for the report](#) .